PROPOSAL EVALUATION

Proposition 84 Integrated Regional Water Management (IRWM) Grant Program

Implementation Grant, Round 2, 2013

Applicant	County of Ventura	**Amount Requested**	$ 17,998,300
Proposal Title	Watersheds Coalition of Ventura County Proposition 84 Round 2 Implementation Grant Proposal	**Total Proposal Cost**	$ 68,412,104

PROJECT SUMMARY

The proposal includes 6 projects: (1) North Pleasant Valley Groundwater Desalter; (2) West Simi Valley Water Recycling Project Phases 1 and 2; (3) Moorpark Recycled Water Project Phase IV; (4) South Oxnard Stormwater Flood Management and Community Enhancement Project Phase 2B; (5) Invasive Plant Removal, Ecosystem Restoration, and Habitat Protection in the Santa Clara River; and (6) Ventura River Invasive Plant Removal and Ecosystem Restoration Project.

PROPOSAL SCORE

Criteria	Score/ Max. Possible	Criteria	Score/ Max. Possible
Work Plan	9/15	Technical Justification	8/10
Budget	3/5		
Schedule	3/5	Benefits and Cost Analysis	24/30
Monitoring, Assessment, and Performance Measures	5/5	Program Preferences	8/10
		Total Score (max. possible = 80)	**60**

EVALUATION SUMMARY

WORK PLAN

The criterion is less than fully addressed, and documentation or rationales are incomplete or insufficient. The work plan contains a thorough introduction which addresses the goals and objectives of the proposal and how the proposal is consistent with the IRWM plan goals and objectives, and clearly identifies the physical benefits of each project. A tabulated overview with project status is included along with a map showing project locations. Project deliverables appear to be reasonable. However, the scopes of work for the projects lack detail to understand how the work will be implemented. For example, for project 5, the applicant describes that "Arundo and invasive plants will be removed consistent with methods described in the Santa Clara River Parkway Strategic Plan for Arundo Treatment and Post-Treatment Revegetation." The applicant does not give any details about what is involved in using this methodology—the steps, manpower, types of machinery, or intensity of effort required. Likewise, the description of construction tasks

typically consists only of a list of facilities to be installed, without any effort to break the work into discreet steps or subtasks.

BUDGET

The Budgets for more than half of the projects in the proposal have detailed cost information but not all costs appear reasonable or supporting information is lacking for a majority of the budget categories. The presentation of project budget information is well organized and provides short narrative descriptions for how budget line items were determined. However, for some budget items lump sums are given or per-unit costs are not appropriately documented. For example, a cost $675,000 is given for a recycled water booster pump (project 3); and $223,000 for biological monitoring (project 5). A cost of $11,160 per cubic yard of concrete (project 4, $5 million total cost) to cover a flood control channel seems excessive without backup supporting documentation to justify this level of cost. Although supporting documentation is often provided, not all needed information is included. For example, a cost of $32.5 million is given for construction of project 1, and as backup the applicant references and includes an extensive pilot study report, but the $32.5 million cost could not be found in the report, but instead a cost of over $42 million. The discrepancy is not explained. Finally, labor hours generally are not suitably justified. For example, 500 hours for project reporting, 565 hours for labor compliance, and 750 hours for project administration (project 6) are not explained and thus seem excessive for a two-year project.

SCHEDULE

The criterion is less than fully addressed and documentation or rationales are incomplete or insufficient. The project 6 schedule is missing from both the hardcopy and the BMS submittal. The schedules of the other projects seem reasonable and consistent with the Work Plan and Budget and demonstrate a readiness to begin construction prior to October 2014.

MONITORING, ASSESSMENT, AND PERFORMANCE MEASURES

The criterion is fully addressed and supported by thorough and well-presented rationale. The monitoring targets are appropriate for the benefits claimed. The monitoring tools and methods will be effective and feasible in tracking the project success throughout the lifetime of each project.

TECHNICAL JUSTIFICATION

The proposal is technically justified to achieve the claimed benefits but is either not fully supported by documentation that demonstrates the technical adequacy of the projects or physical benefits are not well described. Although for projects 1 and 2 the applicant shows the calculations demonstrating that treatment of groundwater to reduce salinity will result in the stated amount of salinity reduction from the groundwater basin, benefit calculations for reduced energy consumption and GHG emissions from decreased water imports will not necessarily translate to reduced net State Water Project (SWP) energy consumption. The reduction of greenhouse gas emissions resulting from reduced use of SWP water is not creditable to the project because the reduced delivery of SWP water will likely be pumped to another customer. For project 3 the applicant adequately shows that water supply reliability will be increased by the amount of recycled water the project is expected to yield will translate to reduced demand for SWP water by the same amount. However, the reduction in fertilizer use is not well supported because it would depend on landscape managers' voluntary reduction of their use of fertilizer, although this benefit was not included as a project benefit in the work plan. The applicant provides no attempt to quantify stated benefits for Project 4 beyond the addition of 20 acres of wetland habitat that would not occur unless the land is purchased, though this benefit is justified because the project includes purchase of the land. The applicant provides solid justification that projects 5 and 6 will conserve the stated amount of water as a result of Arundo removal, but does not attempt to quantify the other claimed benefits, such as benefits to endangered species. Also, in the explanation of uncertainty of benefits for project 5 and 6 the applicant should have

considered the possibility that the Arundo may not be permanently removed and thus the benefit diminishes as Arundo actually recolonizes treated areas.

BENEFITS AND COSTS ANALYSIS

Collectively the proposal is likely to provide a high level of benefits in relationship to cost and this finding is supported by detailed, high quality analysis and clear and complete documentation. This application includes two river restoration projects (projects 5 and 6), primarily Arundo removal, one project to improve flood control facilities, two recycled water projects, and one groundwater desalting project. The application is well written and qualitative benefits are well described. Projects 5 and 6 have quantified water supply benefits, and have provided qualitative justification for habitat, water quality, wildlife, and other qualitative benefits.

Projects 2 and 3 account for 18 percent of application costs and 28 percent of requested funds. Quantified benefits are based primarily on reduced costs of water imports. In Simi Valley, the vast majority of water (97 percent) is imported, so the assumption of reduced imports is supported. In Waterworks District 1 about 78 percent of water consumed is imported water while about 22 percent comes from local sources. Both projects appear economical. However, the Metropolitan rates, which increase 3.5% until 2020 and 1.5% thereafter, allow for real energy cost increases in the future. These cost increases have not been included in the operations costs for the applicant's projects. Also, the avoided cost of RO for project 2 is based on the cost of a 600 acre feet per year facility.

Project 1 accounts for 72 percent of application costs and about 28 percent of requested funds. This project claims to provide a new supply of 7,500 AFY. Net present value (NPV) of benefits is about $103 million; NPV of costs is about $73 million. Both are overstated because both include capital repayment which represent sunk costs; $137 per acre feet (AF) of benefit, and $175 per AF to cover capital costs of the SMP, so together, project net benefits are slightly understated by $38 per AF. Reduced salt imports and increased salt exports via the Sanitary Management Pipeline are important benefits that are not quantified in money terms.

PROGRAM PREFERENCES

Applicant claims that six program preferences and seven statewide priorities will be met with project implementation. However, applicant demonstrates high degree of certainty and adequate documentation for 11 of the preferences claimed: (1) Include regional projects or programs; (2) Effectively Integrate Water Management Programs and Projects within Hydrologic Region; (3) Effectively Resolve Significant Water-related Conflicts within or between regions; (4) Contribute to Attainment of one or more of the Objectives of the CALFED Bay-Delta Program; (5) Effectively Integrate Water Management with Land Use Planning; (6) Drought Preparedness; (7) Use and Reuse Water More Efficiently (8) Climate Change Response Actions; (9) Expand Environmental Stewardship; (10) Protect Surface Water and Ground Quality; and (11) Ensure Equitable Distribution of Benefits.